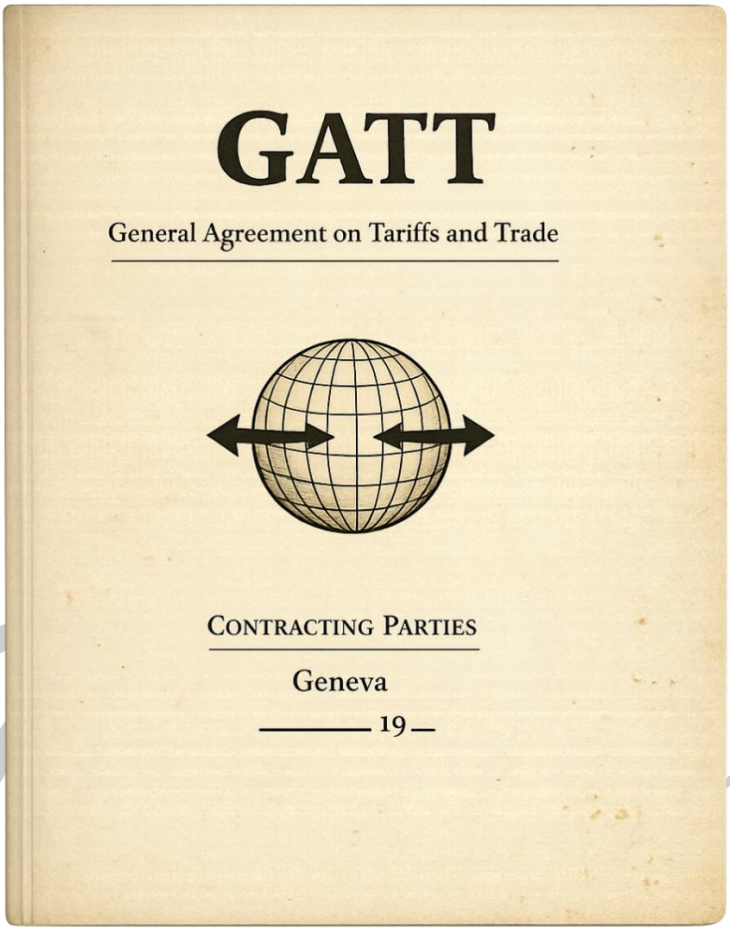
Role of GATT (General Agreement on Tariffs and Trade)

Basic Idea

- **GATT** (General Agreement on Tariffs and Trade) was an international agreement established in 1947 to promote free and fair trade among countries.



- **Its main aim was to reduce trade barriers such as:**
  - Tariffs (import taxes)
  - Quotas (limits on imports/exports)
- Later, GATT became the foundation for the World Trade Organization in **1995**.

Main Objectives of GATT

- Reducing tariffs and trade barriers
- To promote international trade cooperation
- To ensure fair competition and non-discrimination
- To create a stable and predictable trade system

Key Principles of GATT

1. Most Favoured Nation (MFN) Principle

- Countries must treat all trading partners equally

Copyright by Engacy Learning Private Limited. All rights reserved. Reproduction or distribution without written consent is strictly prohibited.

- Any trade benefit given to one country must be given to all
- **Example:** If Country A reduces tariffs for Country B, it must do the same for all GATT members

2. National Treatment Principle

- Imported goods must be treated the same as domestic goods after entering the market
- Prevents discrimination against foreign products

3. Reduction of Tariffs

- Countries agree to gradually reduce import duties
- Making goods cheaper and promotes trade

Role of GATT in Intellectual Property and Patents

- Initially, GATT focused only on trade in goods, not intellectual property.
- **However, overtime:**
  - Growth in technology and knowledge-based trade created a need for IP protection
  - GATT provided a framework for global cooperation
  - This led to the development of the
  - TRIPS Agreement under WTO

First Hope

Key Roles Explained

1. Reduction of Trade Barriers

- Encouraged countries to lower import/export duties
- Made it easier to trade patented goods like medicines and technology

2. Promotion of Fair Trade

- Introduced **non-discrimination principles**:
  - MFN → Equal treatment of countries
  - National Treatment → Equal treatment of goods

3. Foundation for TRIPS

- GATT did not directly regulate patents
- **But increasing global trade created a need for:**
  - Uniform IP protection
- Result → Creation of TRIPS under WTO

4. Dispute Settlement System

- Provided a system to resolve trade disputes between countries

Copyright by Engacy Learning Private Limited. All rights reserved. Reproduction or distribution without written consent is strictly prohibited.

- Important in handling patent-related trade conflicts

Importance of GATT

- Encouraged globalization
- Increased international trade
- **Created a base for:**
  - WTO
  - TRIPS Agreement
- Help build a fair and rule-based trading system

Role of TRIPS (Trade-Related Aspects of Intellectual Property Rights)

Basic Idea

- **TRIPS** is an international agreement under the WTO, introduced in 1995, which sets minimum standards for intellectual property protection, including patents, trademarks, copyrights, etc.

Why TRIPS Was Needed

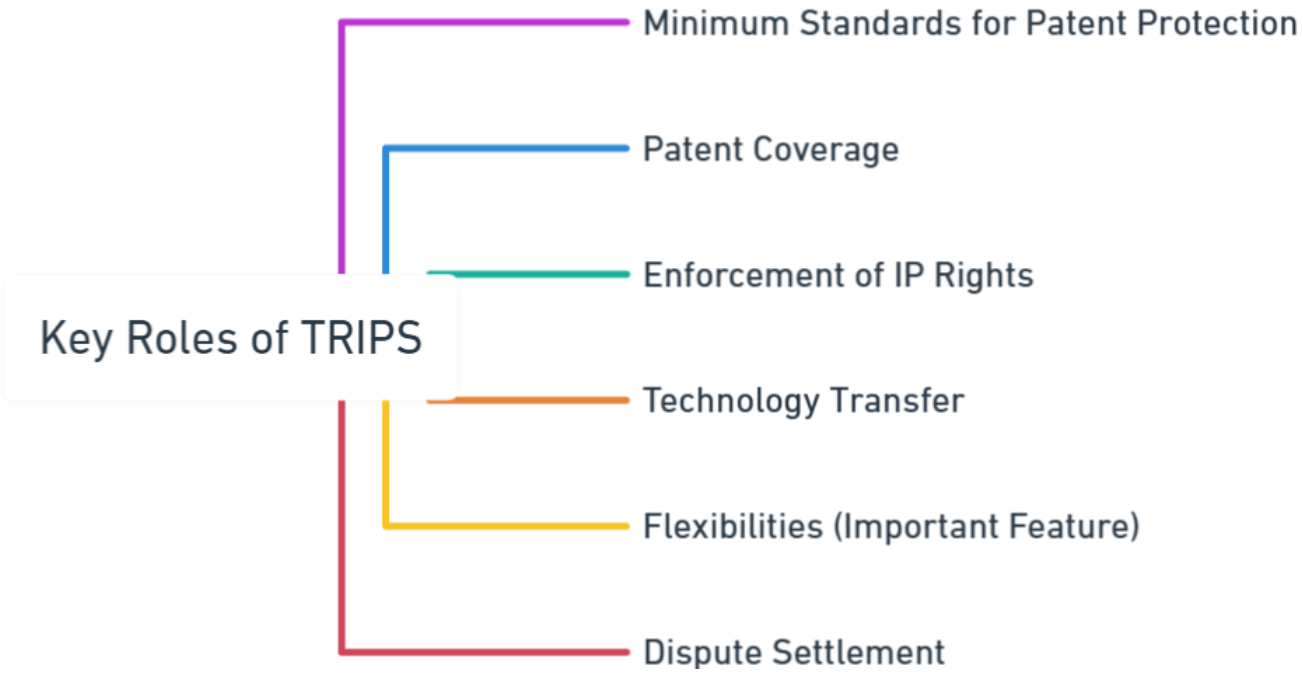
- **Before TRIPS:**
  - Different countries had different IP laws
  - Some countries had weak or no patent protection
- **This caused:**
  - Copying of inventions
  - Losses to inventors and companies

Main Objectives of TRIPS

- To standardize IP laws globally
- To protect rights of inventors
- To promote innovation and technology transfer
- To reduce trade conflicts related to IP

Key Roles of TRIPS

Copyright by Engacy Learning Private Limited. All rights reserved. Reproduction or distribution without written consent is strictly prohibited.



1. Minimum Standards for Patent Protection

- All member countries must:
  - Provide patents for inventions
  - Give protection for at least 20 years

2. Patent Coverage

- Patents must be available for:
  - Products
  - Processes
  - All fields of technology (including pharmaceuticals)

3. Enforcement of IP Rights

- Countries must provide:
  - Legal systems to protect patents
  - Penalties for infringement

4. Technology Transfer

- Encourages sharing of technology between developed and developing countries.

5. Flexibilities (Important Feature)

- TRIPS allow some flexibility, especially for developing countries:

Compulsory Licensing

  - Government allows someone else to produce a patented product without permission.
  - Used in emergencies (e.g., life-saving drugs).

First Hope

Copyright by Engacy Learning Private Limited. All rights reserved. Reproduction or distribution without written consent is strictly prohibited.

First Hope

FREE PREVIEW

Click here to visit our website

PHARMACY PREMIUM NOTES

Complete subject and semesters are available on FirstHope app only.

Scan or click here

Click here to get the app >

Available on Google Play

JOIN THE FIRSTHOPE COMMUNITY

Join our Telegram channel

Click here to join Telegram >

Scan or click here

@FirstHopeNotes

Instagram

@firsthope.official

Click here to follow >

YouTube channel

FirstHope-Pharmacy / Live streams

Click here to watch >

WhatsApp channel

Follow FirstHope on WhatsApp

Click here to join >

FirstHope website

firsthope.co.in

Click here to visit >

B.Pharm / D.Pharm / M.Pharm / Pharm.D

Preview notes. Complete subjects and semesters in the FirstHope app.